

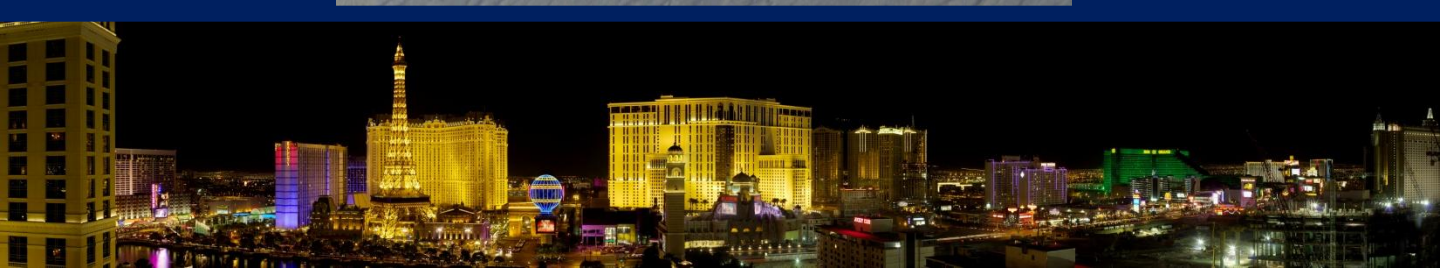


FISCAL YEAR
2008



*Nellis Air Force Base
Creech Air Force Base
Nevada Test and Training Range*

Economic Impact Analysis





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STATEMENT OF PURPOSE:

Nellis Air Force Base (AFB) and Creech AFB have played important roles in southern Nevada since the early 1940s. Nellis AFB has a primary mission of training military personnel to fly, fight, and win utilizing the 2.9-million-acre Nevada Test and Training Range. While Nellis has long been the leader in combat aircrew training in the United States Air Force, Creech has become pivotal in the War on Terror, operating via satellite link the Predator and Reaper Uninhabited Aerial Systems flown over Iraq and Afghanistan. Supporting these missions, the installations are home to the largest civil engineer, communications, logistics readiness, and force support squadrons in Air Combat Command, as well as the largest security forces group in the command. This Economic Impact Analysis provides information about Nellis's and Creech's impact on the local economy. It provides the reader with a better understanding of how important the bases are to southern Nevada and their neighboring communities.

In Fiscal Year 2008, Nellis AFB had operations and maintenance outlays of more than \$437 million while Creech AFB expended more than \$25 million. There were approximately 9,227 military and 3,748 civilians employed between the two bases with a combined payroll of over \$921.8 million. On any given day, about 1,340 temporary duty personnel conduct business at Nellis or Creech. The estimated number of indirect jobs created in direct support of Nellis and Creech was 5,698 with an estimated annual dollar value of \$218.4 million.

In Fiscal Year 2008, the Las Vegas metropolitan area counted a total of 27,615 military retirees among its residents. The combined retirement payroll of 13,839 Air Force, 5,220 Army, 6,570 Navy, 1,595 Marines, and 391 Coast Guard retirees amounted to a yearly salary of \$597.9 million.

Using the prescribed parameters provided in this report, the total economic impact of Nellis's and Creech's operations in Fiscal Year 2008 amounted to more than \$5.0 billion. The Financial Analysis Office of the 99th Comptroller Squadron is responsible for collecting and validating information for this report. Questions concerning this product may be referred to the aforementioned office, at (702) 652-5478.

A handwritten signature in black ink, appearing to read "Howard D. Belote". The signature is stylized and fluid, with a long horizontal line extending from the end.

HOWARD D. BELOTE
Colonel, USAF
Commander

Executive Summary



Expense Category	Line Amount
<u>Base Employment</u>	
- Active Duty Military	8,636
- Reserve / ANG	591
- Total Civilian Force	3,748
<i>Team Nellis</i>	<i>12,975</i>
<u>Base Payroll</u>	
- Active Duty Military	\$664M
- Reserve / ANG	\$11M
- APF Civilians	\$65M
- Other Civilians	\$182M
<i>Team Nellis</i>	<i>\$922M</i>
<u>Expenditures</u>	
- Annual Retiree Payroll	\$598M
- Annual Base Expenditures	\$3,321M
- Est. \$ Value of Jobs Created	\$218M
- Aviation Nation 2007 – Nellis AFB Airshow	\$18M
<u>TOTAL IMPACT</u>	<i>\$5,077,204,142</i>





Military Personnel

(with dependents)

Appropriated Fund Military	Living On Base (Incl. Dorms)	Living Off Base	Total
Active Duty	2,010	6,626	8,636
Reserve	-	517	517
ANG	-	74	74
AD Dependents	4,020	18,043	22,063
<i>Sub-Total</i>	<i>6,030</i>	<i>25,260</i>	<i>31,290</i>





Civilian Personnel

Civilian Classification	Personnel
Civilian NAF	588
Civilian AAFES	416
Contract Civilians	1,523
Private Businesses	374
General Schedule	673
Federal Wage Board	174
<i>Sub-Total</i>	<i>3,748</i>

Team Nellis (Total Personnel)	35,038
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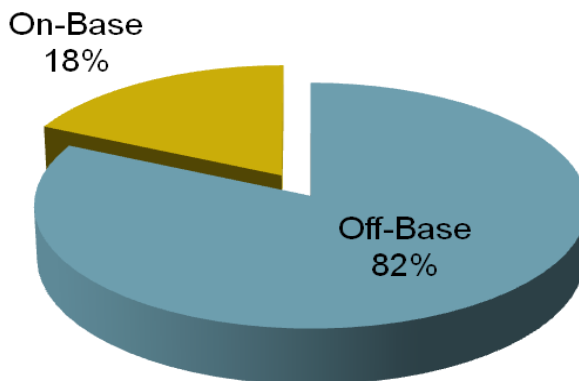
Military Payroll



Appropriated Fund Military	Living On Base (Incl. Dorms)	Living Off Base	Total
Active Duty	\$118.1M	\$545.8M	\$663.9M
Reserve	-	\$5.9M	\$5.9M
ANG	-	\$5.6M	\$5.6M
Total	\$118.1M	\$557.3M	\$675.4M



Payroll by Housing



82% of payroll paid out at Nellis is generated by members living off base, whereas 18% is generated by members currently residing on base.

Please take into account the polarity in rank of those living on base, with over 30% of O-6 and above residing on base and 71% of Nellis' E-1 through E-3 troops calling Nellis AFB home.



Civilian Payroll

Civilian Classification	Payroll
General Schedule	\$50.7M
Federal Wage Board	\$13.9M
Civilian NAF	\$13.4M
Civilian AAFES	\$8.2M
Contract Civilians	\$153.7M
Private Businesses*	\$6.2M
<i>Sub-Total</i>	<i>\$246.4M</i>

Team Nellis (Total Salary)	\$921,802,889
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*Private businesses as defined by this report equates to The Commissary (\$5.3M) and Branch Bank (\$955K) civilians



Expense Report

(Materials, Eqp, Supplies, Services & Construction)

Expense Category	Amount
Commissary (Inventory)	\$2.5M
AAFES (Inventory)	\$14.6M
Health (Tri-Care)	\$63.2M
Education (TA)	\$7.2M
TDY	\$224.1M
Other (Materials, Eqp, Sup)	\$469.8M
GPC Expenses	\$12.2M
Utilities	\$16.1M
Service Contracts	\$243.7M
Construction (Includes MilCon, NAF, O&M)	\$154.1M

The Commissary and AAFES Inventory figures are provided by points of contact within those specific organizations detailing the sale of inventories in Fiscal Year 2008.

Health Expense is calculated as the cost to the US Government only.

TDY Expense is calculated as: *# of bed nights x lodging rate + # off base bed nights x local per diem rate*. The local per-diem rate was calculated using a weighted average of the three different rates in the Las Vegas Metro area. A component was also added to capture average shopping, show and gambling budgets of visitors to Nellis using 2008 Las Vegas Convention and Visitor Authority statistics.

Other Expenses include: Fuels, Stock Fund Inventory, NAF, APF, and new additions to ADPE Equipment.



Multi-year capital assets include systems, equipment, materials, supplies and contracts that require current FY outlays to procure or maintain existing and future mission requirements.

Multi-Year Capital Assets	Amount
System Assets	\$769.9M
Multi-Year Contracts	\$773.2M
Misc. Contracts	\$570.3M

Total Annual Expenditures

\$3,342,545,108

Indirect Jobs Created

(Military & Civilian Impact)



APF Civilians are defined as the civilian workforce whose salaries are paid out of appropriated funds

AFMAN 65-506: 4.3.2.2. The number of indirect jobs created is the mathematical product of the number of base jobs and DoD Indirect Job Multipliers for respective economic areas.

The Multiplier is provided via published table from SAF/FMC... Multipliers were developed based on the size of the employment base for each region surrounding an installation and the general mission of the base / installation / activity. The number of created jobs is then multiplied by the average single salary of residents of the region, in this case \$38,334, as reported by 2006 U.S. Census, Las Vegas

Personnel Type	# of Base Jobs		Jobs Created
Active Duty	8,636	➡	3,541
Reserve/ANG	591	➡	95
APF Civilians	847	➡	466
Other Civilians	2,901	➡	1,596
<i>Total</i>	12,975	➡	5,698

Estimated Number of Indirect Jobs Created.....5,698
 Average Salary of the Local Area.....\$38,334

Estimated Annual Dollar Value of New Jobs = \$218.4M



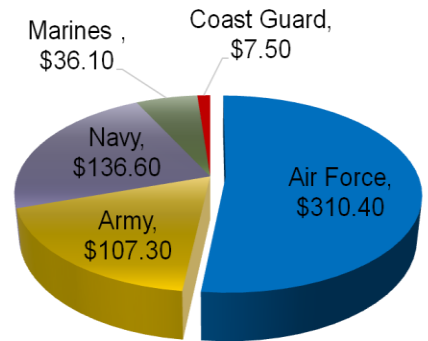


LV Area Retirees

(and Aviation Nation Data)

Branch	# of Retirees	Payroll
Air Force	13,839	\$310.4M
Army	5,220	\$107.3M
Navy	6,570	\$136.5M
Marines	1,595	\$36.1M
Coast Guard	391	\$7.5M
Total	27,615	\$597.9M

Retiree Payroll (by Service Branch)



(in millions)

Aviation Nation 2007



Recorded an estimated \$17.8M of economic benefit to the Las Vegas metropolitan area

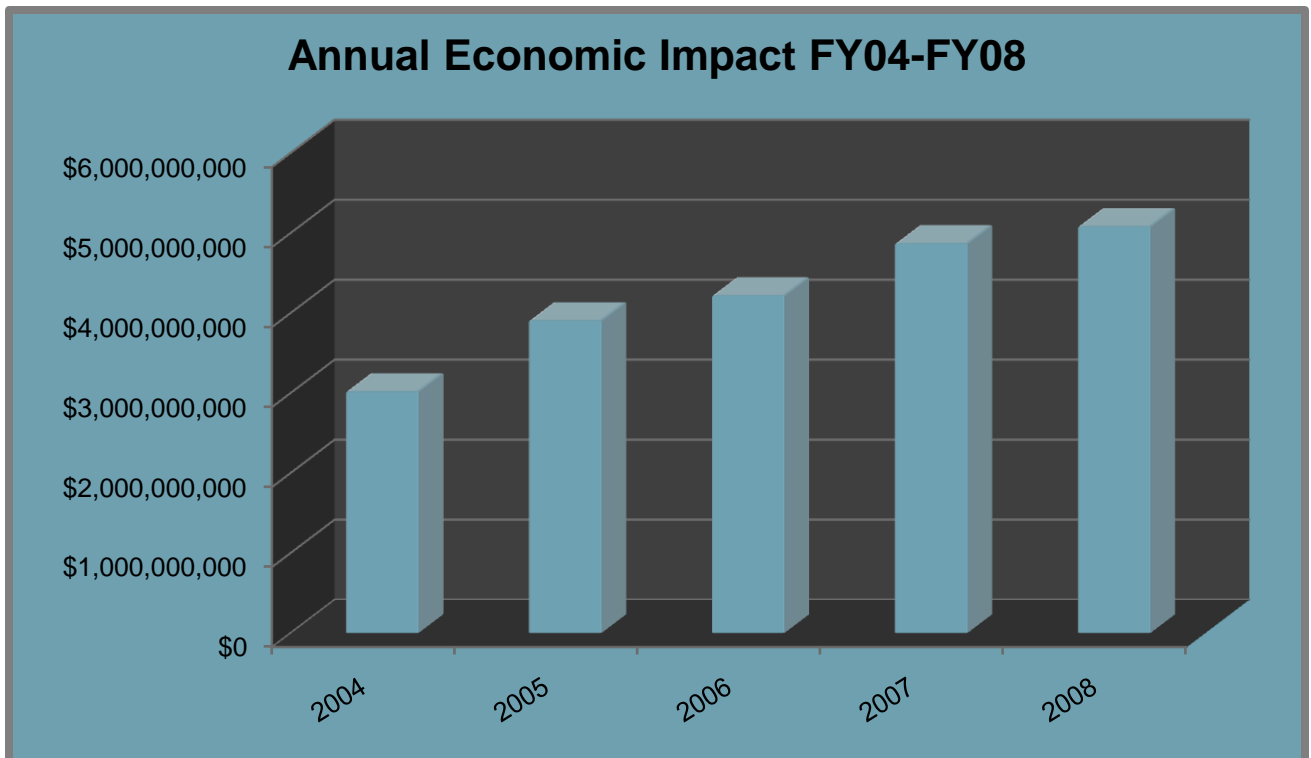


The retiree population report is broken down by the number of retirees populating a specific zip code, their respective service branch and a payroll figure.

The Payroll figure is an aggregate measure of retirees gross retirement salary from the US Government, broken down by branch of service and zip code of residence. No benefit or income equation is used in this calculation.

Economic Impact Estimate

Expense Category	Amount
Annual Payroll	\$921,802,889
Retiree Payroll	\$597,926,734
Annual Expenditures	\$3,321,245,108
Annual \$ Value of Jobs Created	\$218,429,411
Aviation Nation 2007 – Economic Benefit	\$17,800,000
<i>TOTAL</i>	\$5,077,204,142



Nellis Air Force Base (AFB) and Creech AFB have played important roles in southern Nevada since the early 1940s. Nellis AFB has a primary mission of training military personnel to fly, fight, and win utilizing the 2.9-million-acre Nevada Test and Training Range. While Nellis has long been the leader in combat aircrew training in the United States Air Force, Creech has become pivotal in the War on Terror, operating via satellite link the Predator and Reaper Uninhabited Aerial Systems flown over Iraq and Afghanistan. Supporting these missions, the installations are home to the largest civil engineer, communications, logistics readiness, and force support squadrons in Air Combat Command, as well as the largest security forces group in the command. This Economic Impact Analysis provides information about Nellis's and Creech's impact on the local economy. It provides the reader with a better understanding of how important the bases are to southern Nevada and their neighboring communities.



NELLIS AIR FORCE BASE

"Home of the Warfighter"

FISCAL YEAR
2008



Nellis Air Force Base

Economic Impact Analysis

Quick Reference Tables

COMPTROLLER

*United States Air Force Warfare Center,
99th Air Base Wing*

TABLE 1

Personnel by Classification

Classification	Total
Appropriated Fund Military	9,227
-Active Duty	8,636
-Reserve / Air National Guard	591
Active Duty Military Dependents	22,063
Appropriated Fund Civilians	847
-General Schedule	673
-Federal Wage Board	174
Other Civilians	2,901
Team Nellis (Total Personnel)	35,038

TABLE 2

Annual Payroll by Classification

Classification	Total
Appropriated Fund Military	\$675.4M
Appropriated Fund Civilians	\$64.8M
NAF Civilians & On-Site Contractors	\$181.6M
Team Nellis Annual Payroll	\$921.8M

AFMAN 65-506: 4.3.2.1. Annualized base payroll data is a direct input into the EIA model. Salaries were current as of FY08.

TABLE 3

Expense Report

Expense Category	Amount
Commissary (Inventory)	\$2.5M
Base Exchange (Inventory)	\$14.6M
Health (Tri-Care)	\$63.2
Education (TA)	\$7.2M
TDY	\$224.1M
Other (Materials, Eqp. & Sup)	\$469.8M
GPC Expenses	\$12.2M
Utilities	\$16.1M
Service Contracts	\$243.7M
Construction	\$154.1M
Multi-Year Capital Assets	\$2,113.5M
Total Annual Expenditures	\$3,321,245,108

Health Expense' is calculated as the cost to the US Government only
TDY Expense' calculate as: # of bed nights x local per diem rate + # off base bed nights x lodging rate
Other Expense' include: Fuels, Stock Fund Inventory, NAF, APF & ADPE Equipment)
Construction includes Milcon, NAF, and O&M
Multi-year capital assets include systems, equipment, materials, supplies and contracts that require current FY outlays to procure or maintain existing and future mission requirements.

TABLE 4

Retiree Presence & Payroll

Personnel Type	Retirees	Payroll
Air Force	13,839	\$310.4M
Army	5,220	\$107.3M
Navy	6,570	\$136.5M
Marines	1,595	\$36.1M
Coast Guard	391	\$7.5M
Total	27,615	\$597.9M

The Payroll figure is an aggregate measure of retirees gross retirement salary from the US Government, broken down by branch of service and zip code of residence. No benefit or income equation is used in this calculation.

TABLE 5

Total Indirect Jobs Created

Personnel Type	Est. Jobs Created	\$ Value of Jobs Created
Active Duty	3,541	\$135.7M
Reserve/ANG	95	\$3.6M
APF Civilians	466	\$17.8M
Other Civilians	1,596	\$61.2M
Total	5,698	\$218.4M

AFMAN 65-506: 4.3.2.2. The number of indirect jobs created is the mathematical product of the number of base jobs and DoD Indirect Job Multipliers for respective economic areas.

* The Multiplier is provided via table from SAF/FMC... Multipliers were developed based on the size of the employment base for each region surrounding an installation and the general mission of the base/installation/activity. The number of created jobs is then multiplied by the average single salary of residents of the region, in this case \$38,334, as reported by 2006 U.S. Census, Las Vegas

TABLE 6

Total EIA Estimate

Expense Category	Total
Annual Payroll (Table 2)	\$921,802,889
Retiree Payroll (Table 4)	\$597,926,734
Annual Expenditures (Table 3)	\$3,321,245,108
Annual Dollar Value of Jobs Created (Table 5)	\$218,429,411
Aviation Nation 2008 – Economic Impact of the Nellis Airshow	\$17,800,000
Total Annual Economic Impact	\$5,077,204,102